

Administrative Settlement- Purchases Below Market Value

Name of Grantee/Sponsor:

Name and Address of all properties:

Brief Description of Project:

Circle Funding: HOME, CDBG, HOPWA, SHP, NSP, CDBG-R, Pub. Housing, Sec 202/811

Issue: Whether the amount paid for the property in a voluntary sale, which was less than the market value, was a fair price for the property.

Criteria Being Applied: HUD Handbook 1378 Chapter 5

Review the following data and supporting documents in making your final determination

1. Voluntary letter or other document- Does it show the estimated market value of the property and the amount of the offer?
2. Valuation document - Does it support the amount shown as the estimated market value on the voluntary letter? Is it an appraisal, an analysis of comparables or other supportable method? Was it prepared by a qualified person (grantee staff, bank or other third party appraiser)?
3. Letters/emails –Do documents in the file show negotiations between the parties?
4. Seller’s level of sophistication- Was the seller was a banker, a broker, a large corporation or a private person represented by broker?
5. Market data- What does the market data show (sales prices accelerating or declining?)
6. Competition- Were other offers made, if so explain how this affected the price?

Justification for Amount Paid for Property

Authorized Officials Signature

AUTHORIZED OFFICIAL’S NAME AND TITLE

Date of Determination

List of Supporting Documents attached to support conclusion: Appraisals, letters to property owner, other documents used to analyze property value.